

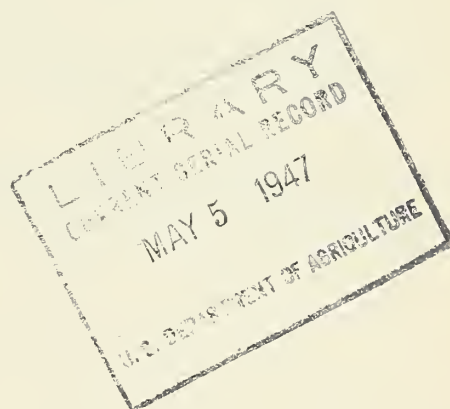
Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1.942
A8 M34
Nasire

APRIL 1947

MARKETING ACTIVITIES



U. S. Department of Agriculture
Production and Marketing Administration
Washington 25, D.C.

FOOD OUTLOOK ABROAD Page 3

A summary of several recent reports on conditions important to American agriculture.

COPRA COMEBACK

By E. O. Umsted Page 8

The Philippines' biggest cash crop comes kicking back to life.

ORANGE JUICE FOR SCHOOL LUNCH

By Marcus J. Gordon Page 13

This year, more U. S. youngsters can have orange juice every day.

BROILER PRODUCERS GET MARKET NEWS

By Grace E. M. Waite Page 15

Broiler producers must keep up with their markets to get along well in this fast business.

EGG CASE PERFORMANCES COMPARED

By Stuart E. Wright Page 17

As to performance in protecting shell eggs from damage in transit, how do fiber cases compare with wooden and corrugated cases? How do new cases compare with used?

• •
•

Address all inquiries to
The Editor, Marketing Activities
Production and Marketing Admin.
U. S. Department of Agriculture
Washington 25, D. C.

Material in Marketing Activities
may be reprinted without special
permission.

Issued monthly. Vol. 10, No. 4

The food situation abroad has a direct bearing on agricultural production and marketing in the United States. This article summarizes material contained in the Office of Foreign Agricultural Relations' World Food Situation, 1946-47; Herbert Hoover's report of his economic mission to Germany and Austria; the President's address to Congress on assistance to Greece and Turkey; and the Report of the FAO Mission for Greece.--Editor.

Food Outlook Abroad

"The world food situation for the 1946-47 season is only slightly better than last year in spite of a production gain of about 7 percent, reports USDA's Office of Foreign Agricultural Relations.

Food supplies of some European countries, as was the case last year, have shrunk to the point where it is impossible to meet the established food ration. Some parts of Europe will need to import even more food before harvest this year than they did last year, if they are to beat down hunger and work their way out of their economic difficulties. The Far East, which recently completed its rice harvest, still has a seriously low food supply.

The United States has played a major part in helping to relieve food shortages abroad. The U. S. Department of Agriculture alone has delivered billions of pounds of food and agricultural products to UNRRA, the Army, and foreign governments in recent months. Foodstuffs exported include dairy and poultry products, livestock, meat products, fats and oils, fruits and vegetables, grain and cereal products, sugar, and miscellaneous food commodities. Additional billions of pounds of food have been shipped by the commercial trade.

But shipments from the United States have only helped to relieve food shortages abroad. The problem of world food shortages is too vast to be solved completely by action of the United States and other exporting nations.

European Situation

Since July 1946 food shortages have been especially acute in Rumania, Germany, Austria, Italy, the Soviet Union, and certain countries of the Far East. In continental Europe food has not only been scarce but it has been difficult to distribute supplies efficiently because of the severely cold weather and storms which have well nigh paralyzed transportation by road, rail, and waterway.

Rumania is about the worst off of any country for food. In Austria, Germany, and Italy, rations, increased in July, had to be reduced in December.

In the British and American zones in Germany the average nonfarm food intake has fallen below 2,000 calories daily, although more United States grain has been allocated to those zones than to any other foreign claimant. Of 9,491,000 long tons, including Canadian wheat milled in

bond in the United States, which had been exported from the United States from July 1946 through March 1947, approximately 1,720,000 tons went to the U. K.--U. S. zones in Germany against their allocation of 2,889,000 tons through June 30, 1946.

Difficulty in making distribution of the available food supply in the British and American zones has been a problem as it has in other war-devastated areas. At that, the calorie level has been higher than in the Soviet and French zones, until recently, when the Soviets increased the ration in their zones to the American and British level.

The German people are now getting about two-thirds of the food available to them before the war, and approximately 60 percent of what Americans get. It is becoming apparent that on this low ration it will be difficult for them to reestablish their agriculture and industries so that they will be able to maintain themselves.

But that's not all. Before the war Germany was the industrial center of Europe. It had the heavy industries. It had the coal to power the rest of Europe. Until Germany can get on her feet Europe will be crippled economically and industrially. Current coal production in the Ruhr in the last few months has equaled only about 50 percent of prewar output. In view of the importance of coal to Germany itself and to the rest of Europe, it is important to reach full production as soon as possible. To do this hinges upon adequate food for the workers. This means that 100 to 150 million bushels of cereals alone would need to be imported annually. Eastern German areas that formerly supplied major quantities of foodstuffs are now a part of Poland or are occupied by Russia. Supplies from these areas will probably not be obtainable for another year or more.

Herbert Hoover, in his report on German agriculture and food requirements, says, "It may come as a great shock to American taxpayers that, having won the war over Germany, we are now faced for some years with large expenditures for relief for these people."

"We are faced with it," he continues, "until the export industries of Germany can be sufficiently revived to pay for their food. The first necessity for such a revival is sufficient food upon which to maintain vitality to work."

Hoover's plan is to provide additional relief now by supplying extra rations to "repair the weakest spot in the nutritional situation" for half the 6,595,000 children and adolescents and a large part of the normal consumer group of light physical workers, now underweight and in some cases exhibiting signs of actual starvation. About 65,000 tons of cereals and 400,000 tons of surplus potatoes are needed to meet this emergency. Indirectly, this plan will provide more food for heavy workers, since these men who receive larger rations almost invariably share them with their families. Other workers may be placed on a heavier ration. In addition to the supplementary feeding program, it has been recommended that increased amounts of seed and fertilizer be made available to help speed the time when Germany may produce more to help feed herself next year.

The program outlined is expected not only to aid materially in preserving peace but it will also do much to insure the safety and health of our Army of Occupation and eventually enable the United States to reduce the size and expense of maintaining an army in Germany.

In western Europe, outside of Germany, the nutritional situation since July 1946 shows some improvement over that of a year ago. However, Great Britain's food intake is 5 to 10 percent below what it was at this time last year--which is about as far as it can go if its people are to maintain health and the ability to work.

Wartime rationing continues in the Soviet Union. In some areas droughts during the spring and summer of 1946 damaged its crops of barley, oats, corn, sugar beets, and sunflower seed, which is Russia's chief source of vegetable oil.

You may ask, "Why can't Germany and the rest of Europe feed themselves this year? What happened to their crops? Why didn't they plant more wheat and other food crops?"

Larger acreages of wheat were planted in most European countries in the fall of 1946 than in 1945 but severely cold weather came before the ground was protected by snow. It is probable that some of the grain may have been winterkilled. If this is the case, their bread grain and oil-seed crops in 1947 will shrink to below 1946 yields. The United Kingdom also shared in the blitz of severely cold weather that gripped Europe last winter. Floods that came later destroyed much of the wheat and other crops. North Africa had good crops in 1946 but its fall-sown crops were adversely affected by insufficient rainfall last winter.

Prospects in the Far East

Although the Far East recently harvested a rice crop larger than last year's, it is anticipated that increased exports will be needed for deficit countries during the late spring and summer. By that time it is believed that any surpluses from nearby areas will be exhausted.

China's crops in 1946, which nearly equaled 1931-37 production, will not be sufficient to carry her through until her first harvest of rice in the south and wheat and winter crops in the north. This expected shortage is accounted for by the small carry-over from the year before and the difficulty of distributing equitably the food that is available.

In Japan the food supply is expected to provide only 1,200 calories daily per normal consumer, as compared with the 1,550 calories recommended. To bring their 1946-47 food supply to per capita 1,550 daily calorie proportions would require about 1,700,000 additional short tons of rice or grain equivalent.

South Korea, with a population of 18.8 million, averages a daily per capita ration of 1,412 calories, 875 of which consist of rice. The country will have an estimated rice deficit of 731,000 short tons for the 12 months ending June 30, 1947, even if it can collect its established goal of 529,000 short tons.

India is low in wheat and rice. There was not more than a month's supply of Government-held wheat in any area on February 1 of this year. No relief is in sight until her spring crops of rice and winter millets come on the market in May.

Burma reports a million tons of rice available for export in 1947 out of a 4.5 million ton crop. The Burmese would gladly exchange some of this for sugar and cooking oils which they badly need.

Greek Rehabilitation

All eyes today are focused on Greece. Because the British Government is unable to continue aid to Greece, President Truman has requested Congress to provide authority for assistance to both Greece and Turkey in the amount of \$400,000,000 during the period ending June 30, 1948. In requesting this sum the President has taken into consideration the maximum amount that would be made available for Greek assistance out of a \$350,000,000 fund which Congress has been requested to authorize for starvation-threatened countries devastated by war.

The President has also requested Congress to grant the request of the two countries concerned, that the United States provide a detail of American civilian and military personnel to assist in reconstruction and for supervising the use of such financial and material assistance as may be furnished. The proposed program of assistance to Greece and Turkey is being studied by Congress.

UNRRA is scheduled to come to an end in 1947. To continue financial and economic assistance for Greece, the FAO had recommended earlier that the Greek Government request the aid of the United States and the United Kingdom in securing funds for obtaining essential food and other imports after UNRRA withdraws its assistance. This aid would be continued until Greek production and exports and international development loans balance the country's international accounts.

FAO had also recommended that all war measures be extended to increase total Greek food production, particularly of bread grains, potatoes, and milk. The Greek people have been advised to continue regulating or rationing food to make the most of their supplies.

Last year the Greek Government requested the FAO to set up a special mission to study its agricultural problems and recommend a program for rehabilitating Greek agriculture and related industries. This study by FAO is the first technical service completed for any nation under the United Nations program. Its recommendations regarding present food shortages and the maintenance of essential imports after UNRRA ends are part of a long-time comprehensive program for a country where practically all railways, roads, port facilities, and the merchant marine have been destroyed. The war left a thousand burned villages. Eighty-five percent of the children were tubercular. Livestock, poultry, and draft animals were sharply reduced.

Today, Greece is not only in desperate need of financial and economic aid but is in need of rehabilitation generally. Just how this will be

accomplished has not yet been decided. The program FAO has outlined for developing agriculture and industry in Greece, for rebuilding the country's facilities, and for putting the Greek nation on a sound economic basis is expected to extend over a period of years.

. .
.

NEW LEGISLATION REDUCES WAR FOOD ORDERS TO EIGHT

Passage of the First Decontrol Act of 1947 and the Sugar Control Extension Act of 1947 reduces the number of effective War Food Orders to eight, USDA announced April 1.

War Food Orders containing restrictive provisions that continue unchanged are: WFO 63, providing for import controls; WFO 141, limiting use of grains (including rice) by brewers and distillers; WFO 7, regulating purchase and importation of raw sugar by refiners; WFO 51, restricting use and distribution of edible molasses; WFO 10, providing for rice set-asides by millers (the present set-aside percentage is zero--see p. 14); and WFO 2, formerly requiring set-asides of butter but now effective solely for liquidation of obligations. In addition, WFO 71, covering priorities assistance, and WFO 78, a procedural order, remain effective.

Authority for continuance of War Food Orders on imports, grain, rice, and butter is based on the First Decontrol Act of 1947, which will expire June 30, 1947. Continuance of the orders on sugar and molasses is authorized by the Sugar Control Extension Act of 1947, which will expire October 31, 1947.

Under the decontrol act, the Secretary of State and the Secretary of Commerce have certified to the Department of Agriculture that allocation of the following agricultural commodities and food products is needed to meet international commitments: Fats and oils, including combinations and mixtures thereof, with or without other substances; oil-bearing seeds, beans, and nuts, and parts thereof; fatty acids; oil cake and oil cake meal; meat and meat products; butter; grain and grain products; rice and rice products; dried beans and peas; and soap and soap powder.

Food orders pertaining to commodities and products not on this list were automatically eliminated, except those relating to sugar, molasses, and sugar-containing products. Wiped out were WFO's 56, 57, 64, and 68, which were delegations of authority from the Secretary of Agriculture to the Office of Temporary Controls in connection with food rationing. Also terminated was WFO 79, on fluid milk and cream, which was put into effect to maintain production and to avoid the rationing of fluid milk.

Under the Sugar Control Extension Act of 1947, all existing regulations governing sugar rationing, allocation, and price and import and export control remain in effect, unless and until modified or rescinded by the Secretary of Agriculture (see p. 12).

Copra Comeback

By E. O. Umsted

Judging from its quick comeback since the war, the Philippine copra industry must be catching coconuts as they drop from the trees--or anyway on the first bounce. Producing the Island's biggest cash crop (the value of copra and coconut oil exports may top 160 million dollars in 1947), this is an industry that lay flat on its face throughout the war and almost until 1946. Its revival during 1946 to near-prewar production, largely the result of a program directed by the U. S. Department of Agriculture with full cooperation from the Philippine Government, our Army, Navy, War Shipping Administration, and other agencies ... plus CEMCO ... is a big but little-known story of Philippine reconstruction.

When Japan's strangle hold was broken, the Island's docks were splintered and smashed, warehouses were gutted shells, and bridges, collapsed and useless, gathered rust in the steamy rivers. Transportation equipment had been demolished or carried away, inter-island communications were chaotic, there was no accepted medium of exchange.

CEMCO Organized

But a serious world-wide shortage of fats and oils existed. To get the Islands back into copra production was an urgent need. In May 1945, a special corporation was organized under a Presidential directive aimed at helping to rebuild the Philippine economy. Known as the Copra Export Management Company (CEMCO), this quasi-governmental corporation included the five major Philippine copra exporters that had offices in the United States. Until January 1, 1946, the corporation used funds from the United States Commercial Company (part of the Foreign Economic Administration), and thereafter from the Department of Agriculture's Commodity Credit Corporation. Drawing upon the long experience of the firms composing it, CEMCO coordinated the drive to get Philippine copra back on the world market fast.

Copra is the dried, broken meat of the coconut. Coconut oil is extracted from copra by grinding and pressing. It takes about 4 coconuts to produce a pound of rescado--thoroughly dry copra. A coconut tree produces 40 to 60 nuts a year. At the time the Japanese invaded the Philippines, 80 or 90 million bearing coconut palms grew on the archipelago's several thousand islands. The coconut palm, which grows 60 to 100 feet tall, is found along the shores and rivers of all tropical lands. The annual copra-producing capacity of the Philippine trees before the war was perhaps 800,000 long tons.

A sizable portion of the Philippine trees were growing on plantations, where a great many Filipino coconut gatherers worked on hectares allotted to them by the plantation owners.

Another large portion of the trees were on farms. Practically every privately owned farm (Filipinos owned about a million and a half farms

before the war) has at least 100 of the trees. They not only supply the farmer and his family with a cash or barter crop, but provide them with coconut to eat, leaves for weaving their hats and thatching their huts, and fill dozens of other home needs.

The largest portion of the Philippine coconut trees grow wild, however, and the ripe nuts dropping from them belong to anyone who troubles to pick them up.

The meat has to be removed from the shell and dried. Drying prevents putrefaction and also the payment of ocean freight charges on the shipment of mere moisture. The Filipino splits the nut three or more ways, with an ax or by striking it on an iron spike fixed in the ground. He can dry the pieces in the sun or on a grill over a slow fire. As the meat dries it curls and can be readily separated from the shell.

Marketing Channels

In normal times, the Filipino sells his copra for dollars or pesos or barter it for rice, corn, fish, or cotton goods. Sometimes, if he owns or can get the use of a solid-wheeled cart and an ox or carabao to draw it, he hauls his copra to market. Maybe he has a boat or makes a raft, or maybe he owns a truck. Sometimes he trades with a traveling dealer. The dealer may sell to a bigger dealer, and he in turn to a broker--until at last the copra reaches one of the ports of call for inter-island shipping, or the big corrugated-roofed bodegas of Manila itself.

Before the war wrecked all the big oil mills, much copra was pressed in the Philippines. The rest of the copra was exported, to be crushed in the United States and elsewhere. From Philippine copra came one-fourth of the world supply of coconut oil. About 12 pounds of copra are required for producing a gallon of the oil. Liquid in the tropics, coconut oil is usually solid in temperate climates. Bland tasting, coconut scented, it and its derivatives are used to manufacture many products, including confectionery and soap.

During the war the U. S. coconut oil supply, only about a quarter of normal, was carefully rationed. It came from Ceylon, principally, and the French- and British-owned islands of the South Pacific. Use of the oil was permitted by the War Production Board and later the War Food Administration and the Department of Agriculture only for the manufacture of products essential to prosecuting the war. A few such products were synthetic rubber and resins, insecticides, explosives, and hydraulic brake fluid for airplanes. During early 1945, for example, 35 to 40 percent of U. S. imports of coconut oil went into these war uses, the rest into the manufacture of soap (and glycerin, its byproduct).

Before the war, copra and coconut oil were the Islands' most important export crop after sugar. Today, sugar being a 2-year crop and Philippine production not yet rehabilitated, copra has become the leading cash and export crop. It has always been the crop most widely diffused--closest to most Filipinos. Some 4 million of the Islands' 17 or 18

million inhabitants depend on it largely or exclusively for a livelihood. And to revive the entire Philippine economy as well as to get out the oil for a fat-starved world was why CEMCO was set up.

The corporation had to start virtually from scratch. There were painfully few things in the Philippines to buy. The Japanese, the war, and time had used them up. Filipino producers understandably didn't wish to swap their sweat and copra for dollars and pesos. You couldn't wear dollars, or eat pesos. So CEMCO distributed more than 3 million dollars' worth of incentive goods, including cloth, rice, canned goods, and cigarettes, to take the place of money. The copra dealer received 40 percent of his pay in cash and 60 percent in these goods, which were made available from surplus Army and Navy stocks or shipped to the Islands for the purpose. The goods passed back through trade channels to producers. The economic plasma spread through the industry's veins; the patient stirred and sat up. Squatting Filipinos got busy with their axes; blue smoke curled again between the bamboo canes of the drying grills--and by May 1946 it became possible to shut off entirely the clinical inducement to trade.

CEMCO agents penetrated the back country before the bullets stopped flying and the last Japanese had cleared out. The corporation had to secure hundreds of necessary items--corrugated iron sheets for warehouse roofs, nails, lead washers, cement, steel bars, bolts and nuts, tarpaulins, scoop shovels, platform scales--which were sold to copra dealers on reasonable credit terms. Office equipment arrived from the United States to outfit CEMCO's offices in Manila, Cebu, Tacloban, and Zamboanga.

A million and a half new jute bags were bought and shipped in from India, and another million and a half came from the United States. Such bags are used to contain copra on its way from the producer to the ship. When a ship is loaded, the bags are slit open and the copra is bled into the hold. Then the bags go back to the producer, but would be useless to him without needles and twine to sew them up again. So needles and twine had to be shipped in, too.

Transportation Problems

Philippine transportation was so confused that it took most of the rest of 1945 to move the surplus and imported goods to the right places. Reestablishment of adequate transportation was one of the big emergency jobs. The Philippine Government, U. S. Army occupation forces, the Navy, and other agencies worked together to replace docks, rebuild bridges. Some 7,000 trucks were made available by the Army, and still more trucks, shipped in from the United States, were unloaded, assembled, and put into service. At last, barges glided again down the placid Pasig, lighters were readied to meet War Shipping freighters, and Navy craft and Army-furnished FS boats were skirting the green and tawny coasts and shuttling between the islands.

The first postwar copra to move from the Philippines was a few hundred tons the Japanese forces had piled up at Mauban on Luzon's east coast. Amphibious Army "alligators" served as loading lighters. One

steamer took aboard all the copra sacked and departed (there weren't enough bags in all the Islands to hold the little shipment). A few days later a second steamer picked up the remaining hundred tons or so, struck a mine when hardly out of port, and put in at Tacloban, where the copra had to be unloaded, spread out, and dried before it could move on.

Throughout 1945, Philippine copra exports totaled barely 8,000 long tons, but by January 1946 the cooperative efforts had begun to tell. In January only, exports reached nearly 5,000 long tons. By March the figure was 13,000. In April the figure hit 25,000, equaling the normal prewar Philippine copra exportation rate--but since none of the larger crushing mills remained to produce coconut oil, it was apparent that perhaps a second 25,000 long tons of copra a month would have to be exported if the prewar export volume of copra and oil together were to be equaled.

In June that all but happened. Exports totaled just under 49,000 long tons.

CEMCO's Job Ends

On June 30, 1946, the Department of Agriculture dissolved CEMCO and returned the purchase of copra and its importation into the United States to private hands. CEMCO's task--to clear away the major obstacles to private copra operations--had been completed.

The Philippine Islands were established as an independent republic on July 4, 1946. On August 8 following, the new Government made an agreement with the Commodity Credit Corporation. To be effective until June 30, 1947, the agreement gave CCC or its designees the right to buy the entire exportable surplus of Philippine copra and coconut oil at stipulated price levels that permitted importation into the United States under existing price ceilings.

In the fall of 1946, the basic situation in the United States was changed substantially by the removal of price and other controls. On December 6, Secretary of Agriculture Clinton P. Anderson announced that USDA had agreed to immediate cancellation of the August copra agreement upon request of the Philippine Government.

Commenting on the action, Secretary Anderson said, "I feel fully assured that, in the absence of a formal agreement, the United States and Philippine Governments will continue full cooperation to see that United States requirements for copra imports are met, and that necessary world allocation procedures are continued. Under all the circumstances, cancellation of the formal agreement should prove beneficial."

Under the terms of the agreement, CCC had designated purchasers of Philippine copra in accordance with allocations approved through the International Emergency Food Council (successor to the Combined Food Board). Not all the supplies are available for use by the United States, which with other countries participates in the international allocations in order to assure equitable world distribution of scarce supplies. Upon

cancellation of the agreement, the Philippine Government assumed responsibility for furthering the distribution of Philippine copra and coconut oil through the IEFC procedures.

After the dissolution of CEMCO in mid-1946, Philippine copra exports continued to climb. In July the number of long tons was 52,000; by September it jumped to nearly 67,000; and in October it shot up to a whopping 118,000, from which peak it dropped back to 83,000 in November and 87,000 in December. The volume for the full 12 months of 1946 ran to more than 593,000 long tons, almost equaling the average peacetime normal exportation of copra and its equivalent in coconut oil.

Thanks to the work of these various cooperators the Philippine copra industry has come back to life much faster than most people thought possible--and helped mightily to keep a tight world situation in fats and oils from becoming tighter still.

. . .
.

SUGAR RATIONING ADMINISTRATION SET UP IN USDA

Establishment of a Sugar Rationing Administration within the U. S. Department of Agriculture, effective April 1, 1947, to carry out the functions assigned to the Secretary of Agriculture under the Sugar Control Extension Act of 1947, were announced March 31 by Secretary Clinton P. Anderson.

The personnel who have been handling sugar rationing in the Office of Price Administration, and who will be needed to continue operations, are transferred to the new administration in accordance with provisions of the Sugar Control Extension Act.

Transfer of the OPA working staff permits continuation of sugar rationing without break in operations. All policy and administrative direction will be given by the Secretary of Agriculture, whose responsibilities for sugar rationing will be similar to those formerly carried out by the OPA Administrator.

Irvin L. Rice, of the OPA staff, will serve as acting administrator of the new agency, and Seymour Friedman as deputy administrator. They will report to the Secretary of Agriculture through James H. Marshall, who will serve as advisor to the Secretary on sugar rationing and price control.

All existing regulations governing sugar rationing were to remain in effect until modified or rescinded by the Secretary. Sugar rationing books continue in use.

* Orange Juice for School Lunch

By Marcus J. Gordon

PMA has bought more than 5 million gallons of Florida sunshine for American school children.

The purchase took the form of some 755,300 gallons of canned concentrated orange juice for this year's school lunch program--enough to make 113 million glasses of reconstituted juice for children all over the country.

PMA bought concentrated canned juice instead of fresh oranges because the concentrate costs less to ship. It keeps well and is convenient and time-saving for school lunch workers to serve. It went on school lunch menus for the first time last year, when about 303,000 gallons of it were bought for direct distribution to schools participating in the program.

This year the schools asked for a million gallons. They will get between 7 and 8 hundred thousand gallons, which they may increase if necessary from their share of appropriated school lunch funds. This means that many a child who practically never gets closer to an orange than the plate glass of a grocery store window will now have the benefit of orange juice every day.

The National School Lunch Act provides that the school lunches served must meet prescribed nutritional requirements, based on tested nutritional research. The aim is to give each child who receives a lunch under the program a nutritionally complete meal--or at least essential foods that will help make up for lacks in his daily diet.

One of these food essentials is vitamin C. The proper development of youngsters' muscles, bones, and teeth requires constant and generous supplies of this vitamin. Because vitamin C cannot be stored effectively in the body, foods that furnish it must be eaten daily. It is liberally supplied in all citrus fruits. Fortunately, oranges and other citrus fruits are abundantly available in fresh and processed form.

Standards

Like all Government purchases, this concentrated Florida orange juice was bought under Government specifications. It had to meet official standards for U. S. Grade A--the "Fancy" grade. Careful preparation in the processing plant is necessary if these standards are to be met. The oranges are thoroughly washed. The juice is extracted, concentrated by freezing or evaporating, then pasteurized and filled into cans sealed air tight. No sugar, acids, or preservatives are used.

U. S. Grade A or U. S. Fancy canned concentrated orange juice must contain at least the specified quantity of ascorbic acid (vitamin C) and citric acid, and not over the specified quantity of recoverable oil.

Among the grade factors for reconstituted juice are color, freedom from defects, and flavor--just the qualities most people are particular about.

Standards for U. S. Grade A specify a bright typical orange color. The juice must be almost free from recoverable oil and from defects--that is, particles of membrane, skin, and seeds. It must have the normal reconstituted orange flavor, and be without any trace of off flavor from scorching, bitterness, caramelization, or oxidation.

There is another grade of canned concentrated orange juice--U. S. Grade C or U. S. Standard. It contains less ascorbic acid and citric acid and slightly more recoverable oil than U.S. Grade A or U. S. Fancy. The color of the reconstituted juice of this grade is good, but may be slightly brown or very light. The juice is wholesome, scores fairly high on freedom from defects, and its flavor, though it may be slightly caramelized, oxidized, or bitter, is unobjectionable.

But PMA is providing only Grade A orange juice for school lunch. American kids are getting the best.

. .
.

RICE SET-ASIDE REQUIREMENT REDUCED TO ZERO

No additional rice from the 1946 crop is required to be set aside for Government purchase. Since September 1946, rice mills have been required to set aside 40 percent of their monthly production for Government agencies. An amendment to War Food Order 10, effective April 1, reduces this percentage to zero. (But all other provisions of the order remain.)

The reduction was made because the Commodity Credit Corporation has acquired all the rice it needs to meet its requirements from the 1946 crop. These requirements consist principally of rice purchases for UNRRA (for use in China) and for the Philippines. No additional purchases of domestic rice are contemplated. Credit will still be allowed for exports to Cuba against set-aside deficits of previous months. To facilitate exports to Cuba, USDA had announced that beginning March 1, set-aside credits for shipments would be allowed at the rate of 1 bag credit for each bag of rice exported.

. .
.

MAY PLENTIFUL FOODS LIST

The following foods are expected to be in plentiful supply throughout the greater part of the United States during May 1947: Potatoes; oranges, canned orange juice, and blended citrus juices; grapefruit, canned grapefruit juice, and canned grapefruit segments; dried peaches; dried prunes (small sizes); eggs; peanut butter; and heavy tom turkeys. In the use of this list, the local availability of each item should be verified.

x Broiler Producers Get Market News

By Grace E. M. Waite

The emergence of broiler production as a major industry in several areas of the United States has brought another recent development--market news service covering the broiler markets. Projects in the Del-Mar-Va peninsula (that separates the Chesapeake Bay from the ocean), northwest Arkansas, north Georgia, central North Carolina, and the Shenandoah Valley in Virginia are being carried on under cooperative agreements between the Federal Government and State agencies.

Broilers usually are marketed when they are 13 or 14 weeks old. To do well in this fast business, producers have to know where to sell their birds, what to ask for them and what to take--they have to be light on their feet. Yet the nearest filling station has been about as good a source on late prices as any they had; information on how much poultry was produced or was held in cold storage did not get around well; and whether today was likely to be a better time to sell than tomorrow or next week was anybody's guess. Realizing their need, producers in the new industry looked with envy upon some 13 poultry market news offices operating in a number of the larger cities and asked, "Why can't we have it too?"

Now they have it. The service began in the Del-Mar-Va peninsula, Arkansas, and Georgia shortly after the first of July 1946.

How Service Works

Truckloads of broilers from the peninsula (which produces about two-thirds of the broilers marketed in the U. S.) arrive daily at the New York and Philadelphia markets.

The New York market news reporter visits terminal markets, gets information on broiler prices and market conditions, flashes the news over the leased wire circuit to all broiler producing areas and to Philadelphia, where other broiler supplies have been arriving. At the same time, the Philadelphia reporter also has been collecting and sending out news of the Philadelphia market.

Meanwhile, in the producing areas, broilers are beginning to move into the processing plants. The market news reporter in each area gets busy on the telephone, collecting information from processors and live poultry dealers on volume, prices, and the general feel of the market. He also passes along to them the information he has received so far that day from the terminal markets. He already has a composite picture of what happened the day before, made up of the teletype reports he has received from the several broiler producing areas and from the country's big poultry markets, including Chicago, Cincinnati, and Detroit as well as New York and Philadelphia.

When the reporter has completed his calls, which may extend over a radius of 50 miles or more, he assembles and analyzes the information he

has received, and prepares the day's report on prices, the tone and trend of the market, and other pertinent factors. This report is used in the local area and goes over leased wire teletype circuits to the other broiler areas and to market news field offices in terminal markets. About an hour later, producers can hear on the radio the broiler prices paid that day in their own and competing areas. The report also goes to the local newspapers and, in some cases, to press associations.

The teletype flashes the report of one area to another so that it is possible for each market news office in the broiler areas to issue very shortly a complete mimeographed report containing prices and general market news on broilers in the several areas. These reports go out from each market news office to the names on its mailing list.

Other Poultry Market News

Before the combined poultry and dairy market news service started in 1918, poultry producers generally were not receiving adequate daily information on price, demand, and supply. Now market news comes to them over the radio, in newspapers, or direct from Federal or Federal-State offices. Producers, processors, and dealers are among the large users of the service, but the reports are also in constant use by Government economists, marketing specialists, and statisticians. Banks use them in making loans to producers; suppliers in extending credit; railroad companies in settling claims. That the poultry industry makes good use of the service is indicated by a 50 percent increase in mailing lists for the combined poultry-dairy service during the last 12 months, and in the broader use of market reports by newspapers and radio stations.

Daily reports give current, spot-market news. Twenty-three market news offices issue daily poultry market reports. Of these, 12 are Federal-State offices. Federal-State reports are issued in Alabama, Arkansas, California, Delaware, Iowa, Maryland, Michigan, North Carolina, Ohio, Virginia, and Washington. There are also weekly and monthly reviews.

Market news reporting reflects shifts in marketing methods. At one time wholesale prices were the basis for price reporting, but gradually more and more jobbers and large retailers have begun to buy direct from the producers, who may sell also to stores, restaurants, and hotels. Sometimes producers find it profitable to form cooperatives and distribute their products through them. Because wholesale selling prices reflect trading on a smaller volume than formerly, there has been a trend to quote a price closer to the producer, usually the price paid f. o. b. the terminal market. This is not necessarily the net price the producer receives, since transportation charges are a factor and in some cases the producer's products are handled through a local country buyer.

A lot of guesswork has gone out of the broiler business. The stabilizing influence of unbiased market news has brought to producers, processors, and distributors alike a confidence that they know the market well enough to tell when to sell and buy, and at what prices, in order to make a suitable profit and develop their up-and-coming industry.

X Egg Case Performances Compared

By Stuart E. Wright

A recent study by the U. S. Department of Agriculture of damage to shell eggs during rail shipment in fiber, wooden, and corrugated cases appears to warrant these conclusions:

(1) New fiber cases protect eggs about as well as new wooden cases, and considerably better than new corrugated cases.

(2) Good used fiber cases protect eggs about as well as good used wooden cases.

(3) Only when poor used wooden cases are compared with poor used fiber cases do wooden cases show definite superiority.

(4) No matter what the construction material is, in-transit damage to eggs in used containers is much more severe than in new containers.

The USDA study grew out of a desire to test the belief held in some trade circles that fiber cases do not stand up under the daily wear and tear of handling and transportation.

Background

No comparative figures existed. The USDA investigators went back first to a study by a Department author named M. M. Hastings (USDA Circular 140, Bureau of Animal Industry). The publication, released in 1918, discusses the damage in transit to eggs shipped in 1909 and 1910 in wooden cases (fiber and corrugated cases were not then in use). The author's original opinion was that western egg dealers whose supplies arrived by local freight might expect from 4 to 7 percent of cracked (or checked, as they are sometimes called) eggs. After further investigation of breakage at western destination points, however, Hastings concluded that 8 percent was a fair estimate of damage from cracking in 1909. That would mean about 29 cracked eggs to the standard case of 360. His 1910 study was concerned with 2 million eggs received on the New York market. He estimated the damage to them from cracking to be about 9 percent--that is, about 32 eggs per case.

With Hastings' figures as background, the USDA investigators looked around for some present-day data on damage in transit. Figures they assembled from Federal graders' reports showed damages to shell eggs that had arrived at destination in different kinds of cases. These graders' reports are also known as inspection certificates. The certificates used in the comparative damage investigation covered more than 1,600 carloads of eggs. On a certificate, space is provided for the number of cases per lot to be inspected, the number actually inspected, and the description and condition of cases, flats, and fillers. Although cracks are not the only kind of damage to eggs in transit, it appeared that the information the certificates did give was enough to serve as a basis for appraising the effectiveness of various kinds of egg cases.

First, the investigators discovered that in 202 carloads of eggs inspected during April and June 1943, at Chicago and New York, the damage from cracks or checks was 3.11 percent. During the whole of 1946, in the same two cities, certificates covering 1,485 carloads indicated a damage of 2.79 percent. When calculated on the basis of all these periods, the damage rate was 2.83 percent. This figure is an improvement over the 8 percent of 1909, but it still represents the damaging of about a dozen eggs to the case.

Next, the certificates were studied by cities. In 1943, damage shown in Chicago was 3.17; in New York 2.95 percent. In 1946, damage shown in Chicago was 3.11 percent; in New York, 2.41 percent.

Month-by-month comparisons followed, and turned up one interesting indication: More damage from cracking occurs in summer than in fall, winter, or spring.

New Cases v. Used Cases

New and used wooden cases were then compared. In 1943, 2,530 eggs out of 84,200 inspected in new wooden cases were found to be cracked, the damage amounting to 3.00 percent. At the same inspection points and also in 1943, 1,447 eggs out of 38,600 were cracked in good used wooden cases--3.75 percent. In 1946, 38,670 eggs out of 1,471,300 were cracked in new wooden cases--2.63 percent. In the same year, 2,840 eggs out of 85,500 were cracked in good used wooden cases--3.32 percent.

Next, new fiber cases were compared with good used fiber cases. In 1946, 8,738 eggs out of 315,250 inspected in new fiber cases were cracked--a damage of 2.77 percent. In the same year, 1,653 eggs out of 46,450 were cracked in good used fiber cases--3.56 percent.

Finally, new corrugated cases were compared with good used corrugated cases. In 1946, 8,963 eggs out of 271,500 inspected in new corrugated cases were cracked--a damage of 3.30 percent. In the same year 1,356 eggs out of 36,700 were cracked in good used corrugated cases--3.69 percent.

For one reason or another, some of the data from the three or four thousand certificates studied were ruled out of consideration. For example, a certificate was barred when a part of the lot it covered was packed in new fiber cases, the remainder was packed in good used corrugated cases, and the damage was not broken down by type of container.

. .
.

WFO 82 (WALNUTS) TERMINATED

War Food Order 82, which regulated the handling of walnuts in California, Oregon, and Washington, was terminated as of March 31. The walnut marketing agreement and order program, which has been in suspension while WFO 82 has been in force (since October 2, 1943), automatically came back into effect on April 1, 1947.

MARKETING BRIEFS:

Advisory Committees.--Between March 13 and April 1, USDA announced the formation of additional advisory committees as follows: Dry Beans and Peas; Feed; Grain; Seeds; Soybeans and Flaxseed; Sugar; Peanut; Tree Nuts; and Vegetable. Purpose of the committees is to study the need for research and marketing services, and to assist the Secretary of Agriculture and the National Advisory Committee in developing plans and work in connection with the Research and Marketing Act of 1946.... The Cotton Advisory Committee, after a 2-day meeting in mid-March, recommended the early appointment of a special technical group to work with USDA and industry technicians in drafting a comprehensive cotton research and marketing program for consideration by the National Advisory Committee at its next meeting, April 14-16.... The Potato Advisory Committee, meeting March 24-25 with USDA officials, recommended coordination plans for research on orderly marketing and more efficient utilization of the crop. The committee believes the potato industry should use the facilities provided by the Research and Marketing Act of 1946 to develop improved methods of handling succeeding crops with a minimum of loss and waste. Strong emphasis was placed on making top-quality potatoes readily available to the consumer, and diverting surplus low-quality potatoes to industrial use.

Cotton.--The Commodity Exchange Commission has reduced the limit on speculative positions in cotton futures from 30,000 bales in any one future to 30,000 bales in any one future or in all futures combined on any one market.... All 1946-crop loan cotton (including American-Egyptian) still under loan on August 1, 1947, will be pooled for producers' accounts by the Commodity Credit Corporation. The loans mature July 31, 1947. On March 15, 1947, loans were outstanding on 71,589 bales of 1946-crop cotton from the 123,000 bales placed under loans to that date.

Dairy Products.--War Food Order 15, under which manufacturers of Cheddar cheese have been required to set aside certain percentages of their production for sale to Government agencies, was terminated as of March 24. The order went into effect in February 1943 as an aid to Government purchasing to fill rapidly growing military and lend-lease needs. From February 1943 through 1946, approximately 1,205 million pounds of Cheddar cheese were set-aside.... Under the price-support measures announced February 24 and March 7, 1947, USDA during March bought 25 million pounds of nonfat dry milk.... Between March 13 and 27, activities concerning milk marketing agreements and orders included: Filing of a USDA report of its findings on an industry-proposed amendment to the New Orleans order (42); scheduling of a hearing (April 9) on the Philadelphia order (61); tentative approval of an amendment to the Toledo order (30); amendments of orders at Toledo (30), Omaha-Council Bluffs (35), and Sioux City (48); and termination of the Washington, D. C., order (45).

Eggs.--Egg price-support operations will be conducted in the Midwest for May deliveries on the basis of an average price to producers of 35 cents a dozen. The change represents a 2-cent advance in Midwest support levels as compared with the February-through-April average price of 33 cents.

April 1947

Fruits and Vegetables.--Continuation of the marketing agreement and order regulating the handling of fresh plums, Bartlett pears, and Elberta peaches grown in California was favored by growers participating in the referendum held from January 17 to February 1, 1947.... Georgia peach growers participating in a referendum held between January 31 and February 10 favored continuation of the marketing agreement and order regulating the handling of fresh peaches in Georgia.... As of March 15, approximately 3 million bushels of potatoes had been shipped abroad under USDA's potato export program, developed as an additional outlet for the heavy surplus of potatoes from the 1946 crop.

Grain and Flour.--Between March 28 and April 4, PMA grain and flour purchases included 1,802,000 bushels of corn, 410,000 bushels of oats, 375,000 bushels of barley, 3,333 bushels of wheat, and 356,193,000 pounds of flour. The small quantity of wheat was purchased to fill a cargo on the west coast. Cumulative grain purchases between July 1, 1946, and April 4, 1947, included 155,098,092 bushels of wheat, 56,933,000 bushels of corn, 12,577,581 bushels of barley, and 7,096,500 bushels of oats.... Supplementary allocations of 296,000 long tons--approximately 11,347,000 bushels--of flour (in wheat equivalent), corn, and oats for April-May shipment were announced on April 7 by USDA. They were in addition to allocations already authorized for the 2 months, and consist of 241,000 long tons of flour (in wheat equivalent), 50,000 tons of corn, and 5,000 tons of oats.... Between April 1 and the time when new-crop wheat becomes available, only emergency allocations of flour will be made to countries now under general license. These include all the countries in the Americas, the Philippines, the Netherlands East Indies, and designated countries in West Africa.

Soybeans and Dry Beans and Peas.--Allocations announced during March and early April included 30,000 hundred-pound bags of baby lima beans for Army use in occupied areas of Europe; 55,000 hundred-pound bags of Great Northern beans to the United Kingdom for use in Great Britain; 55,000 hundred-pound bags of Red Kidney beans for Army use in Austria; and 186,000 bushels of soybeans to Norway (in exchange for sperm oil which the Norwegians will sell to the United States).

Sugar and Molasses.--An emergency export allocation of 35,000 short tons of sugar, raw value, was approved during the week ended April 4 as follows: Greece, 15,000 tons; Finland, 12,000 tons; and Switzerland, 8,000 tons. The sugar covered by the allocation comes primarily from Cuban sources. Although it comes to the United States for refining in transit, it is not a part of supplies allocated to the United States.... Authorization will be required henceforth for the importation of blackstrap or inedible molasses, under an amendment, effective April 1, to WFO 63. The amendment replaces CPA Order M-63, revoked as of April 1, which regulated importations of blackstrap or inedible molasses.

Wool.--Because of an 8-point increase in the parity index, a small upward adjustment in the selling price of wool owned by the Commodity Credit Corporation was put into effect on March 29. Average increase is 2 to 3 cents a pound, clean basis, although adjustments in the schedule vary by grade and classification of wool.

ABOUT MARKETING:

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Addresses:

The Race Is to the Ready, by Clinton P. Anderson, Secretary of Agriculture, Oklahoma City, Okla. April 5, 1947. 14 pp. (Mimeographed)

American Cotton in Foreign Markets, by E. D. White, Assistant to the Secretary of Agriculture, Galveston, Texas. March 21, 1947. 9 pp. (Mimeographed)

Publications:

Comparative Qualities, Yields, and Gross Returns for Lint and Seed for Some Upland Cottons Grown at Florence, S. C., Crop of 1946. (PMA in cooperation with Clemson Agricultural College) March 1947. 9 pp. (Multilithed)

1946 Loan and Price Support Programs. (PMA) March 1947. 6 pp. (Mimeographed)

U. S. Total Cold Storage Stocks, 1946. (PMA) March 1947. 47 pp. (Mimeographed)

The Wholesale Fruit and Vegetable Market of Miami, Florida. (PMA) March 1947. 44 pp. (Mimeographed)

Field Office Directory of the Production and Marketing Administration. February 1947. 46 pp. (Mimeographed)

Marketing Margins and Costs for Livestock and Meat. Technical Bulletin 932. (Bureau of Agricultural Economics) January 1947. 102 pp. (Printed)

Milk Cows and Milk Production on Farms and Miscellaneous Dairy Statistics, 1946. (Bureau of Agricultural Economics) February 1947. 25 pp. (Mimeographed)

Livestock and Poultry on Farms January 1, Number, Value Per Head, and Total Value. (Bureau of Agricultural Economics) February 1947. 48 pp. (Mimeographed)

Livestock on Farms January 1. (Bureau of Agricultural Economics) February 1947. 26 pp. (Mimeographed)

Peanuts, Stocks and Processing, September 1945--August 1946 Season. (Bureau of Agricultural Economics) January 1947. 7 pp. (Mimeographed)

